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SUBJECT: FIJI INTERIM FINANCE MINISTER USES WASHINGTON WB/IMF VISIT
TO PUSH HIS AND THE REGIME'S AGENDAS

This message is sensitive but unclassified. Please handle
accordingly.

Summary

¶1. (SBU) In Washington for meetings of the IMF and World Bank, Fiji Interim Finance Minister Mahendra Chaudhry made full use of the opportunity to reach out to potential new partners and to USG contacts as well. Chaudhry's calls on IMF, Brazilian, Indian, Malaysian, Chinese, and other contacts played on the interim regime's theme of finding alternative -- and less critical -- partners in the face of sanctions from its traditional allies. In talks with IMF officials, Chaudhry sought assessments of the ailing Fiji economy and its lackluster private sector. Talks with Brazil and India focused on garnering help for Fiji's troubled sugar sector. After a meeting at the State Department in which Chaudhry proposed bilateral political talks, he suggested to the media the USG had agreed. Washington corrected the record. End Summary.

MDB conversations and requests

¶2. (U) Chaudhry's office issued a series of press statements during the week on his Washington meetings portraying him as dynamically pressing for economic and technical assistance for Fiji. The media reported that in a meeting with World Bank East Asia and Pacific President Francis Adams, Chaudhry secured an agreement to send a team of World Bank officials to Fiji later this year to begin work on an economic assessment. Chaudhry said the assessment report would be submitted to the interim regime's "People's Charter" process, which is looking at setting political and economic parameters for future governments. Chaudhry is also reported to have asked International Finance Corporation (IFC) Director Richard Ranken for an IFC assessment of Fiji's private sector. The Fiji Sun newspaper ran several articles touching upon Chaudhry's request that the World Bank include small island states in "its strategic focus for development solutions." Yet another press release highlighted Chaudhry's thanks in his address to the joint IMF/WB meeting for recent visits to Fiji by IMF staff and officials, and for the upcoming regular Article IV visit scheduled for late November. He said Fiji would also welcome help from the IMF in improving its national statistics and in providing policy guidance for exchange rate assessments.

"Look North" Bilaterals

¶3. (U) Chaudhry also highlighted meetings with the Malaysian and Indian finance ministers, Brazil's ambassador to the United States, and the Exim Bank of China's assistant president. Headlines included: "Malaysia promises assistance to Fiji" and "India offers financial help," but details were less than forthcoming. Malaysia's

government was reported to be "prepared to assist Fiji with its economic recovery." India's government reportedly "pledged to assist Fiji with its financing requirements for capital projects" and officials are scheduled to meet in January 2008 for further discussions. Chaudhry reportedly used his meeting with Brazil's ambassador to the United States to press for assistance reforming Fiji's sugar industry. The meeting with Exim Bank of China Assistant President Zhu Xinqian concerned the concessional loan offer made by PRC Premier Wen Jiabao during his April 2006 visit to Fiji.

Seeking political dialogue with the USG

14. (SBU) In a meeting at Fiji's request with EAP PDAS Davies, Chaudhry claimed Fiji was taking steps to meet an early 2009 election deadline and tried his best to justify the interim government's "People's Charter" initiative. Davies challenged the notion that the Charter was a legitimate, representative undertaking and stressed the need for Fiji to commit to and then implement a clear timetable for elections consistent with Fiji's existing constitution. He also called for an immediate restoration of judicial independence and civil liberties. Chaudhry proposed that the interim government and the U.S. should engage in regular political discussions. Davies only took that suggestion under advisement, but Chaudhry's media release went further. A Fiji Daily Post headline of Oct. 25 read "US keen on direct talks with regime."

Other Fiji media carried similar reports. State Department media guidance corrected the record, and subsequent Fiji media reporting has more accurately reflected the USG position. Articles from both Fiji Times Online and Radio Fiji on October 25 reported that the USG will not conduct "business as usual" with the interim government and will limit engagement until a democratically elected government is restored.

Comment

15. (SBU) Chaudhry, whose single entry visa restricted him to Washington and environs, made full use of the World Bank and IMF gatherings to generate the sort of self-serving, often over-stated publicity he has become known for, flying off to the wider world to lobby for economic advantage, especially for Indo-Fijian sugar cane farmers, his Fiji Labor Party's base. Like Prime Minister Bainimarama's efforts the previous week at the Forum in Tonga, Chaudhry's meetings in Washington were carefully orchestrated to visibly seek out alternative partners in the face of censure and sanctions from the likes of the United States, Australia and New Zealand. Struggling with a superannuated sugar industry and an economy ailing under the stresses of the coup and its aftermath, Chaudhry painted the picture of the knowledgeable man of finance, out to tap new sources of help and funding. His effort to appear to be building a new bridge to Washington has, after USG correction, probably played less well. End comment.

Dinger